LEGISLATIVE FINANCE COMMITTEE

59TH Montana Legislature

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DATE: October 12, 2006

TO: Legislative Finance Committee

FROM: Senators Cobb and Williams

RE: The Bulldog Report: Overtime costs and reduction of the population at The Montana Developmental Center in Boulder

Senators Cobb and Williams were assigned the "Bulldog" task of monitoring the issue of overtime at the Montana Developmental Center (MDC) in Boulder. Tangential to the overtime issue are concerns related to the goal of reducing the population of MDC, removing 15 individuals from the waiting list, the implementation of provider rates, and the construction of a new building as approved by the 2005 Legislature via a $2.5 million dollar appropriation in the Long Range Planning Committee.

OVERTIME EXPENSES AT MONTANA DEVELOPMENTAL CENTER

This item has been discussed with the department's supplemental request at the past LFC meetings. The $800,000 supplemental request was in personal services, primarily due to:

- The cost of replacing persons placed onto administrative leave pending the results of investigation into allegations of abuse or neglect as required by federal rules (Over the course of the year, less that one third of the allegations required action)
- A general shortage of direct care staff requires overtime by professional staff during vacancies and time off
- Frequent trips to provider agencies across the state for transition and placement of persons into community services to meet the requirements of the Travis D lawsuit
- Community on-site consultation by MDC professional staff to provider agencies in times of client crisis to attempt to prevent the placement of those individuals from the community to MDC

Additionally, of the 45 existing FTE associated with units that will be closed down, 20 FTE will be retained at MDC to alleviate overtime, properly transition new arrivals that may not be fully prepared to enter life with the general MDC population to ensure all "protection from harm" issues are addressed, and ensure enough staff is available to maintain required training under facility licensure requirements for ICF-MR Active Treatment Conditions of Participation levels, and support the community out-reach necessary to develop and maintain strong community placement programs.

RELOCATION OF INDIVIDUALS AT MDC INTO THE COMMUNITY AND REDUCTION OF THE WAITING LIST FOR DISABILITY SERVICES BY 15 INDIVIDUALS

The department has moved 26 individuals into the community as a result of the Travis D settlement, and will move all individuals from MDC's Unit 16 AB into the community by December 2006, and close the unit. This action will generate general fund savings of $8,333 per month in utility costs of Unit 16AB, for a total savings of $50,000 over the remaining six months of the biennium.

Ideally, the department would have moved the Unit 16AB clients into the community earlier, but only two community providers, Aware, Inc. (various locations), and Little Bitterroot (Plains) agreed to take these clients even though there was a substantial amount of funding that follows the client into the community. The clients choose the provider and location. (The legislature provided $2.15 million over the biennium, to help with costs for training, crisis assistance, additional FTE case managers, and $500,000 for start-up construction / renovation costs to community facilities.)

The shortage of provider response is primarily due to:

- The potential volatility of these clients, which often involves higher management risk to the providers already facing shortage of direct care workers and case managers
- The intensity of the individual's behavioral challenges and needs combined with the history of some of the population coming into MDC with criminal or sexual offending behaviors also makes placement difficult
- The federal mandate for investigation of possible client to client and/or staff to client abuse that impacts providers and MDC[1]
- An overall shortage of Direct Care Staff throughout the state
- At the time of this writing, funds appropriated by the legislature are available for regional community placement, and the regional placement teams are working to match individuals and openings.

IMPLEMENTATION OF THE NEW PROVIDER PAYMENT SYSTEM

Adult Provider Project Update

Starting July 1, 2005, DDP launched Phase II of the Provider Rate Project pilot involving all adult providers in Region II. (North Central Montana - serving about 320 individuals) Based on legislative comments in HB2, the prior pilot findings, and updated provider information, the rates were adjusted to accommodate budget neutrality for the 2005 biennial appropriation, tested and validated. These rates were discussed at the June 2006 LFC meeting and are available at: http://leg.mt.gov/css/fiscal/reports.asp#june2006 (Scroll down to the DDP Bulldog Report by Jeff Sturm.)

The Regions I (Glasgow / Miles City areas) & III (Billings area) will now enter the Provider Rate Project using the rates tested and validated by Region II in the project pilot phase. Region IV will come in July 2007 and Region V enter the process in July 2008. Coinciding with the move into the new phases of rate development, the department also plans to address the issue of direct care worker staff recruitment and

[1] The CMS guidelines governing investigations are not now in the state administrative rules, however the guidelines are reflected in DDP policy. Providers argue that the cost associated with conducting investigations is not fully covered by current funding levels; however, DDP is requesting rebasing funding from Legislature that will help address provider costs associated with investigations.

retention with further examination rates needed for compensation and benefits as well as the research and implementation of training curricula to address workers' immediate needs as well as career advancement.

The department has submitted an EPP that includes $7.3 million general fund and $10.6 million federal funds over the biennium to support the rate rebasing. The current funding request is based on provider costs and additional expenses expressed in the financial data gathered during the Rates Project, and a DDP survey of service providers to determine their most recent actual costs of providing services.

Child Provider Project

Following the same process as the Adult Provider Rate Project, the initial Child Provider Rates have been established for children who are enrolled in home and community based waiver services. The rates are based upon data gathered in studies of all providers as well as through a resource allocation tool that was completed by the families showing the amount of services they would choose. The chart below shows the initial amounts that will be tested by families in Regions I and II. As was done in the Adult Provider Rate Pilot, should the initial Children's Rate Pilot indicate a need, these rates will be adjusted.

Service	Rate
Family Support Specialist	$483.22 per month
Family Education & Training	$36.67 per hour
Residential Habilitation (non-facility direct care)	$18.17 per hour
Residential Habilitation (individual training materials)	$1,000 per year
Respite Care (direct care)	$12.96 hour
Respite Care (individual care items)	$1,000 per year
Day Habilitation	$17.84 per hour
Therapies	State Plan hourly rate

Ultimately, providers in the Adult and Children programs will invoice based upon the service and volume of service units provided to a specific client, and will be reimbursed according to a uniform, published fee schedule.

UPDATE ON THE $2.5 MILLION APPROPRIATION FOR A NEW BUILDING AT MDC

Through HB 5 the legislature provided a $2.5 million appropriation for people with high risk behaviors. A request for proposals was issued to recruit a design team to collaborate with the DPHHS staff to confirm the need, priorities and concepts needed to create a safe, therapeutic environment for people with developmental disabilities and exhibit high-risk behaviors. The project will include sleeping quarters, communal spaces for dining and living, indoor and outdoor recreation spaces, and staff areas for client consultation and treatment as well as administrative tasks.

HGFA Architects was chosen and has designed a facility that will house 12 residents in three home-style dwellings with sleeping rooms, gathering and dining space for clients. There is a separate unit for admission, administration, treatment and suitable accommodations for the shifts of staff available to serve the clients on a "24 & 7" basis. There will be two landscaped areas for recreation. The entire facility will

be fenced because the nature of the clients requires a secure facility. However, the fence will be camouflaged with trees and shrubs, to the extent possible, which keeps with the goal to have the homes and facility designed to look like any community dwelling and show no appearance of a secure facility.

The Request for Proposal for the construction bid will be let out this fall. The department expects to begin construction by the spring of 2007.

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